



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 18, 2004

**S. 2273  
Rail Security Act of 2004**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation  
on April 8, 2004*

**SUMMARY**

S. 2273 would authorize the Under Secretary of Homeland Security for Border and Transportation Security to provide grants to Amtrak for systemwide security upgrades, provide grants to the freight rail industry for security improvements, research ways to improve rail transportation, assess the security of rail transportation in the United States, and conduct a pilot program for screening passengers and baggage at five Amtrak stations. The bill also would authorize the Secretary of Transportation to provide grants to Amtrak for improving tunnels in New York, Baltimore, and Washington, D.C., and direct Amtrak to develop a plan for addressing the needs of families of Amtrak passengers involved in an accident that results in the loss of life.

For all of those activities, the bill would authorize the appropriation of almost \$1.2 billion over the 2005-2009 period. Assuming appropriation of the authorized amounts, CBO estimates that implementing these provisions would cost almost \$1.2 billion over the 2004-2009 period. In addition, the bill would require the completion of several studies related to rail security and safety. Assuming appropriation of the necessary amounts, CBO estimates that completing these studies would cost \$3 million over the 2005-2006 period.

CBO estimates that enacting the legislation would not affect direct spending or revenues.

S. 2273 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the cost of those mandates would not exceed the annual thresholds established by UMRA (\$60 million for intergovernmental mandates and \$120 million for private-sector mandates in 2004, adjusted annually for inflation). Other provisions of the bill would benefit state and local governments and the private sector by providing grants for security and safety improvements to rails, locomotives, and passenger facilities. Any costs to state and local governments

associated with those grants would result from complying with conditions of aid or would result from negotiated agreements with Amtrak.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the legislation is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
<b>CHANGES TO SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Grants for Security Improvements					
Authorization Level	535	118	118	118	195
Estimated Outlays	285	268	218	118	195
Research to Improve Security					
Authorization Level	50	50	0	0	0
Estimated Outlays	5	27	38	21	9
Screening Pilot Program					
Authorization Level	5	0	0	0	0
Estimated Outlays	3	2	0	0	0
Family Assistance Plan					
Authorization Level	1	0	0	0	0
Estimated Outlays	1	0	0	0	0
Risk Assessment and Studies					
Estimated Authorization Level	7	1	0	0	0
Estimated Outlays	7	1	0	0	0
Total Changes					
Estimated Authorization Level	598	169	118	118	195
Estimated Outlays	301	298	256	139	204

a. In 2002, the Congress provided \$100 million to Amtrak for security improvements.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2004 and that the authorized amounts will be appropriated near the start of each fiscal year. Estimates of spending are based on information from Amtrak, the Department of Transportation, and historical spending patterns of similar programs.

S. 2273 would authorize grants to Amtrak and the freight rail industry for security improvements, authorize the Under Secretary of Homeland Security for Border and Transportation Security to research ways to improve rail transportation, authorize the Under Secretary to conduct a pilot program for screening rail passengers and their baggage, direct Amtrak to develop a plan for assisting families of Amtrak passengers involved in an accident, authorize a risk assessment of rail transportation, and require several other studies related to rail safety and security.

**Grants for Security Improvements.** S. 2273 would authorize the appropriation of \$670 million over the 2005-2009 period for security improvements to Amtrak tunnels in New York, Baltimore, and Washington, D.C. The bill also would authorize the appropriation of \$63.5 million in 2005 for systemwide improvements to Amtrak security. Finally, the bill would authorize the appropriation of \$350 million in 2005 for the Under Secretary of Homeland Security for Border and Transportation Security to provide grants to Amtrak, the Alaska Railroad, and the freight rail industry for security improvements. Assuming appropriation of the authorized amounts, CBO estimates that implementing these provisions would cost \$1.1 billion over the 2005-2009 period.

**Research to Improve Security.** S. 2273 would authorize the appropriation of \$100 million over the 2005-2006 period for the Under Secretary of Homeland Security for Border and Transportation Security to research ways to improve rail transportation security. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost \$100 million over the 2005-2009 period.

**Screening Pilot Program.** S. 2273 would authorize the appropriation of \$5 million in 2005 for the Under Secretary of Homeland Security for Border and Transportation Security to study the cost and feasibility of screening Amtrak passengers, baggage, and cargo. As part of this study, the Under Secretary would conduct a pilot program for screening passengers and baggage at five Amtrak stations. Assuming appropriation of the authorized amounts, CBO estimates that implementing this program would cost \$5 million over the 2005-2006 period.

**Family Assistance Plan.** S. 2273 would require Amtrak to develop a plan for addressing the needs of families of Amtrak passengers involved in an accident that results in the loss of life. The bill would authorize the appropriation of \$500,000 in 2005 for Amtrak to develop this plan, and assuming appropriation of the authorized amount, CBO estimates that implementing this provision would cost \$500,000 in 2005.

**Risk Assessment and Studies.** S. 2273 would direct the Under Secretary of Homeland Security for Border and Transportation Security to assess the vulnerability of rail transportation in the United States. For this risk assessment, the bill would authorize the appropriation of \$5 million in 2005. S. 2273 also would require a review of how well current rail regulations address security needs; a study of rail security in Japan, the European Union, and other countries; an examination of the current system for screening rail passengers and baggage that travel across the United States' border with Canada; a study of the impact of highway-rail crossings on emergency responders; and an analysis of the impact resistance of the steel shells of pressurized tank cars constructed before 1989. Assuming appropriation of amounts authorized for the risk assessment as well as additional amounts necessary to complete the other studies, CBO estimates that implementing these provisions would cost about \$8 million over the 2005-2006 period.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2273 would impose intergovernmental and private-sector mandates as defined in UMRA, but CBO estimates that the cost of those mandates would not exceed the annual thresholds established by UMRA (\$60 million for intergovernmental mandates and \$120 million for private-sector mandates in 2004, adjusted annually for inflation). Other provisions of the bill would benefit state and local governments and the private sector by providing grants for security and safety improvements to rails, locomotives, and passenger facilities. Any costs to state and local governments associated with those grants would result from complying with conditions of aid or would result from negotiated agreements with Amtrak.

### **Planning for Amtrak Accidents**

Section 9 would impose a private-sector mandate on Amtrak, the national passenger rail carrier, by requiring Amtrak to submit a plan addressing the needs of the families of passengers involved in fatal accidents. Amtrak would have to submit the plan to the National Transportation Safety Board (NTSB) and the Secretary of Transportation no later than six months after the bill's enactment. As a part of the plan, and in the event of a fatal accident,

Amtrak would be required, among other things, to provide a passenger list to federal authorities and a toll-free hotline for use by families of passengers.

The bill would authorize an appropriation of \$500,000 to the Department of Transportation for fiscal year 2005 to assist Amtrak in carrying out this mandate. Based on information from an Amtrak representative, CBO estimates that the additional costs of the mandate would not exceed this amount. The bill also would exempt Amtrak from certain liability in federal or state court for damages due to its release of a passenger list or passenger information pursuant to the plan submitted to the NTSB. Because of this exemption, Amtrak may experience some savings.

This liability provision is a preemption of state law, and thus an intergovernmental mandate as defined in UMRA. CBO estimates that this preemption would not affect the budgets of state or local governments because, while it would limit the application of state liability law, it would require no additional spending.

### **Passenger Screening Pilot**

Section 5 would require the Under Secretary of Homeland Security for Border and Transportation Security, in cooperation with the Secretary of Transportation, to conduct a pilot program to test random security screening of passengers and baggage at five passenger rail stations that Amtrak serves. As part of this program, the Under Secretary would require that intercity rail passengers produce a government-issued photographic identification. Those passengers that use the designated stations that do not have such an identification would be required to obtain one. CBO estimates that the cost to comply with this private-sector mandate would be small.

### **Whistle Blower Protection**

The bill also would prohibit rail carriers, whether public or privately owned, from discharging or discriminating against any employee who reports a perceived threat to security or testifies before the Congress or at any federal or state proceeding regarding such a threat. Such a prohibition would constitute both an intergovernmental and private-sector mandate under UMRA. Under current law, employees are protected if they report any safety issues. Because compliance with these broader whistle-blower protections would involve only a small adjustment in administrative procedures, CBO estimates that public and private rail carriers would incur only minimal additional costs.

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